

City of St. Albert

Consolidated Financial Statements

December 31, 2016



City of St. Albert

December 31, 2016

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Management's Report

To the Mayor and members of Council of the City of St. Albert,

Management is responsible for the integrity, relevance and comparability of the data in the accompanying consolidated financial statements. The consolidated financial statements have been prepared by Management in accordance with Canadian Public Sector Accounting Board standards. The preparation of the consolidated financial statements necessarily includes some amounts which are based on Management's best estimates.

It is City policy to practice the highest standard of ethics. The City also has policies and procedures for internal controls.

Management is committed to maintaining an extensive system of internal controls, providing reasonable assurance that:

- * all transactions are appropriately authorized
- * assets are properly accounted for and safeguarded
- * all transactions are appropriately recorded, and financial records are reliable for the preparation of financial statements.

Oversight for Management's responsibilities for financial reporting is provided by City Council through the Standing Committee of the Whole. There are regular meetings between the Committee, Management and independent auditors to discuss auditing and reporting on financial matters, and to ensure that Management is carrying out its responsibilities with its preparation of the financial statements. The auditors have full and free access to the Committee and Management.

The consolidated financial statements have been audited by the independent firm of Deloitte LLP.

Kevin Scoble,

City Manager

Diane McMordie, CPA,CMA

Director of Financial Services

Independent Auditor's Report

To the Mayor and members of Council of the City of St. Albert

We have audited the accompanying consolidated financial statements of the City of St. Albert, which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statements of operations and accumulated surplus, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of St. Albert as at December 31, 2016, and the results of its operations, changes in its net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants

April 18, 2017

CITY OF ST. ALBERT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2016 (in thousands of dollars)

	2016	2015
Financial Assets		
Cash and Cash Equivalents (Note 2)	\$ 12,805	\$ 37,403
Accounts Receivable	14,790	12,115
Taxes Receivable	2,943	2,930
Inventories Held for Resale	30	22
Land Held for Resale	614	614
Investments (Note 3)	160,245	118,057
Total Financial Assets	191,427	171,141
Financial Liabilities		
Accounts Payable and Accrued Liabilities (Note 4)	17,491	17,326
Deferred Revenue - Government Transfers (Note 5)	31,382	31,378
Deferred Revenue - Other (Note 5)	3,333	2,800
Offsite Levy Liabilities (Note 6)	9,330	2,648
Deposit Liabilities	1,552	1,612
Long-Term Debt (Note 7)	41,586	45,515
Landfill Liability (Note 8)	200	200
Total Financial Liabilities	104,874	101,479
Net Financial Assets	86,553	69,662
Non-Financial Assets		
Tangible Capital Assets (Note 9)	921,897	875,884
Inventories of Materials and Supplies	1,199	1,049
Prepaid Expenses	748	499
Total Non-Financial Assets	923,844	877,432
Accumulated Surplus (Note 11)	\$ 1,010,397	\$ 947,094

Commitments and Contingencies (Note 12)

Approved by:

Mayor

City Manager

CITY OF ST. ALBERT
CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

Year Ended December 31, 2016 (in thousands of dollars)

	2016 Budget (Note 17)	2016	2015
Revenue			
Property Taxes (Note 13)	\$ 93,194	\$ 93,123	\$ 90,691
Sales and User Fees	58,204	60,524	59,640
Government Transfers (Note 14)	29,146	27,140	21,684
Developer Contributions and Levies	-	415	14,314
Fines and Penalties	5,351	6,394	6,578
Licenses and Permits	2,569	3,896	3,226
Contracted Services Revenue	2,593	2,679	2,593
Investment Income	2,617	2,559	2,350
Franchise Fees	2,280	2,209	2,015
Other Revenue	772	1,811	1,550
Total Revenue	196,726	200,750	204,641
Expenses			
Protective Services	33,131	35,008	31,874
Utility Services	25,030	29,364	28,557
Recreation and Parks	20,478	25,182	24,610
Transportation and Roadway Services	13,819	24,778	24,404
General Government Services	21,754	17,541	16,167
Transit Services	13,022	13,796	13,942
Cultural Services	12,267	13,478	13,381
Planning and Development Services	4,802	4,704	4,318
Family and Social Services	3,321	3,070	2,620
Total Expenses	147,624	166,921	159,873
Annual Surplus Before Other	49,102	33,829	44,768
Other			
Contributed Assets	-	29,474	13,025
Annual Surplus	49,102	63,303	57,793
Accumulated Surplus, Beginning of Year	947,094	947,094	889,301
Accumulated Surplus, End of Year	\$ 996,196	\$ 1,010,397	\$ 947,094

CITY OF ST. ALBERT
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

Year Ended December 31, 2016 (in thousands of dollars)

	2016 Budget (Note 17)	2016	2015
Annual Surplus	\$ 49,102	\$ 63,303	\$ 57,793
Acquisition of Tangible Capital Assets	(90,127)	(39,517)	(30,908)
Contributed Tangible Capital Assets	-	(29,474)	(13,025)
Proceeds on Disposal of Tangible Capital Assets	-	87	610
Amortization of Tangible Capital Assets	-	22,757	21,644
Loss on Disposal of Tangible Capital Assets	-	134	158
	(41,025)	17,290	36,272
Acquisition of Inventories of Materials and Supplies	-	(1,199)	(1,049)
Acquisition of Prepaid Expenses	-	(748)	(499)
Consumption of Inventories of Materials and Supplies	-	1,049	952
Use of Prepaid Expenses	-	499	305
	-	(399)	(291)
Increase in Net Assets	(41,025)	16,891	35,981
Net Financial Assets, Beginning of Year	69,662	69,662	33,681
Net Financial Assets, End of Year	\$ 28,637	\$ 86,553	\$ 69,662

CITY OF ST. ALBERT
CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended December 31, 2016 (in thousands of dollars)

	2016	2015
Cash Provided by (Used in):		
Operating Activities		
Annual Surplus	\$ 63,303	\$ 57,793
Items Not Involving Cash:		
Amortization	22,757	21,644
Tangible Capital Assets Received as Contributions	(29,474)	(13,025)
Loss on Disposal of Tangible Capital Assets	134	158
	56,720	66,570
Change in Non-Cash Assets and Liabilities:		
Accounts Receivable	(2,675)	(2,139)
Taxes Receivable	(13)	(30)
Inventories Held for Resale	(8)	1
Accounts Payable and Accrued Liabilities	(1,053)	1,005
Deferred Revenue - Government Transfers	4	(5,107)
Offsite Levy Liabilities	6,682	(9,569)
Deferred Revenue - Other	533	90
Deposit Liabilities	(60)	(273)
Inventories of Materials and Supplies	(150)	(97)
Prepaid Expenses	(249)	(194)
Cash From Operating Activities	59,731	50,257
Capital Activities		
Acquisition of Tangible Capital Assets	(38,299)	(30,580)
Proceeds on Disposal of Tangible Capital Assets	87	610
Cash applied to Capital Activities	(38,212)	(29,970)
Investing Activities		
Purchase of Investments	(171,213)	(125,198)
Maturity of Investments	129,025	118,389
Cash applied to Investing Activities	(42,188)	(6,809)
Financing Activities		
Repayment of Long-Term Debt	(3,929)	(3,755)
Cash applied to Financing Activities	(3,929)	(3,755)
(Decrease) Increase in Cash and Cash Equivalents During Year	(24,598)	9,723
Cash and Cash Equivalents, Beginning of Year	37,403	27,680
Cash and Cash Equivalents, End of Year	\$ 12,805	\$ 37,403

CITY OF ST. ALBERT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2016 (in thousands of dollars)

1. Significant Accounting Policies

The consolidated financial statements ("financial statements") of the City of St. Albert (the "City") are the representations of management and have been prepared in accordance with Canadian public sector accounting standards.

Significant accounting policies adopted by the City are as follows:

a. Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The entity is comprised of all organizations, committees and local boards that are owned or controlled by the City and are, therefore, accountable to the Council for the administration of their financial affairs and resources. In addition to the City's municipal government operations, entities include the St. Albert Public Library and the Arts & Heritage Foundation of St. Albert. Inter-departmental and inter-organizational transactions and balances between these organizations have been eliminated. Note 13 to the financial statements also includes requisitions for educational and other organizations that are not part of the City.

b. Use of Estimates

The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include assumptions used in estimating, historical cost of certain tangible capital assets, useful lives of tangible capital assets, fair value of contributed assets, provisions for accrued liabilities, landfill liability, contaminated site liabilities, revenue recognized in the year, deferred revenue, provision for tax exempt appeals, investment impairment, provisions for allowances in accounts receivable and in performing actuarial valuations of employee future benefits.

Actual results could differ from these estimates.

c. Basis of Accounting

The City follows the accrual basis of accounting. Revenue, which is not directly related to any specific program, is reflected in General Municipal Revenue.

i. Revenue

Revenue is accounted for in the period in which it is earned and measurable. Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Tax revenues are recognized when the tax has been authorized by bylaw and the taxable event has occurred. Requisitions operate as a flow through and are excluded from municipal revenue

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs, in the completion of specific work, or for the purchase or construction of tangible capital assets. These transfers are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. These are recognized in the financial statements as revenue in the period in which events

CITY OF ST. ALBERT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2016 (in thousands of dollars)

1. Significant Accounting Policies (cont'd)

c. Basis of Accounting (cont'd)

i. Revenue (cont'd)

giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

ii. Expenses

Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

d. Cash and Cash Equivalents

Cash and cash equivalents consist of bank deposits and short term investments with original term to maturity of three months or less.

e. Land Held for Resale

Land held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and levelling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under the respective function.

f. Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the straight line basis over the term of the respective investments. When there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

g. Inventories Held for Resale

Inventories held for resale consist mainly of concession inventory and are valued at lower of cost and net realizable value.

h. Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for the use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations.

i. Tangible Capital Assets

Tangible capital assets ("TCA") are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value of the tangible capital assets, excluding land, is amortized on a straight line basis over the estimated useful lives as follows:

Buildings and Building Improvement

5 to 50 years

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2016 (in thousands of dollars)

1. Significant Accounting Policies (cont'd)

h. Non-Financial Assets (cont'd)

i. Tangible Capital Assets (cont'd)

Land Improvement	10 to 30 years
Library Collections	5 years
Engineered Structures	
Roadway System	15 to 60 years
Water System	35 to 75 years
Wastewater System	35 to 75 years
Storm System	35 to 75 years
Machinery and Equipment	10 to 25 years
Vehicles	10 to 25 years

One half of annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Cultural and historical assets such as works of art, historical and heritage sites are not recorded as tangible capital assets in these financial statements but are disclosed.

The City does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

ii. Contributions of Tangible Capital Assets

TCA received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

iii. Inventories of Materials and Supplies

Inventories of materials and supplies consist mainly of parts and road maintenance materials and are valued at the lower of cost and replacement cost.

i. Post Employment Benefits

The City participates in multi-employer pension plans. As such, contributions for current and past service pension benefits are recorded as expenses in the year in which they become due.

j. Landfill Liability

Pursuant to the Alberta Environmental Protection and Enhancement Act, the City is required to fund the closure of its landfill site and provide for post-closure care of the facility. Closure and post-closure activities include the

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2016 (in thousands of dollars)

1. Significant Accounting Policies (cont'd)

j. Landfill Liability (cont'd)

final clay cover, landscaping, as well as surface and ground water monitoring, leachate control, and visual inspection. The liability for closure and post-closure care has been recognized based on an estimate of future expenses.

k. Requisition Over-levy and Under-levy

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

l. Contaminated Sites Liability

Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2016 (in thousands of dollars)

2. CASH AND CASH EQUIVALENTS

	2016	2015
Cash	\$ 12,805	\$ 22,403
Cash Equivalents	-	15,000
	\$ 12,805	\$ 37,403

Cash includes balances of \$12,195 (2015 - \$21,775) having yields ranging from 0.05% to 0.95% (2015 - 0.75% to 0.95%)

Cash equivalents are comprised of short term deposits having yields of 1.35% to 1.50% (2015 -1.35% to 1.50%) with an original maturity within 3 months.

3. INVESTMENTS

	2016		2015	
	Carrying Value	Market Value	Carrying Value	Market Value
Short Term Notes and Deposits	\$ 117,544	\$ 117,544	\$ 80,000	\$ 80,000
Corporate Bonds	42,501	43,538	37,857	39,021
Credit Union Shares	200	200	200	200
	\$ 160,245	\$ 161,282	\$ 118,057	\$ 119,221

Short term notes and deposits have effective rates of 1.23% to 2.79% (2015 - 1.21% to 1.90%), are for fixed terms, and have maturity dates ranging between 3 months and one year.

The City's bond portfolio has effective rates of 1.78% to 3.84% (2015 - 1.78% to 4.58%), with call dates ranging between 2018 and 2026.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accrued liabilities include \$125 (2015 - \$125) of monitoring costs related to contaminated sites. This environmental liability is related to salt impacts, which were affecting the soil and groundwater from a former salt storage shed.

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2016 (in thousands of dollars)

5. DEFERRED REVENUE

Pursuant to funding agreements with the Provincial and/or Federal Government, the use of these funds together with any earnings thereon is restricted to eligible expenditures on operating or capital projects as approved by the governments. These funds are recognized as revenue in the period the stipulations are met.

	2015	Net Contributions	Interest Earned	Revenue Recognized	2016
Deferred Revenue - Government Transfers					
Municipal Sustainability Initiative	\$ 29,200	\$ 9,630	\$ 535	\$ (15,023)	\$ 24,342
Alberta Municipal Infrastructure Program	74	-	1	(75)	-
New Deal for Cities and Communities	2,046	6,726	77	(3,144)	5,705
Ray Gibbon Drive Provincial Grant Funding	139	-	2	(13)	128
Basic Capital Grant	(202)	5,635	25	(4,354)	1,104
Alberta Community Partners	20	-	-	(20)	-
Municipal Sustainability Initiative - Affordable Housing	101	-	2	-	103
Total Deferred Revenue - Government Transfers	31,378	21,991	642	(22,629)	31,382
Deferred Revenue - Other					
Servus Place	1,078	1,405	-	(1,389)	1,094
Other Miscellaneous - Operating	779	1,262	4	(1,295)	750
Arts and Heritage Foundation	164	196	-	(164)	196
Licensing	250	904	-	(250)	904
Community	114	1,481	-	(1,567)	28
Other Miscellaneous - Capital	40	17	-	(39)	18
Utilities	103	-	-	(5)	98
Performing Arts	209	185	-	(209)	185
Library	63	75	-	(78)	60
Total Deferred Revenue - Other	2,800	5,525	4	(4,996)	3,333
Total Deferred Revenue	\$ 34,178	\$ 27,516	\$ 646	\$ (27,625)	\$ 34,715

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2016 (in thousands of dollars)

6. Offsite Levy Liabilities

Offsite levies are collected from a developer upon the execution of a Development Agreement as per the Offsite Levy Bylaw. These funds are restricted to fund the construction of specific infrastructure and will be reimbursed to a developer once the said infrastructure has been built and has received a construction completion certificate.

	2015	Contributions	Interest Earned	Applied	2016
Offsite Levy Liabilities					
Transportation Offsite Levy	\$ 31	\$ 5,230	\$ 25	\$ (1,427)	\$ 3,859
Water Offsite Levy	1,433	2,066	38	(47)	3,490
Sanitary Sewer Levy	1,173	742	23	-	1,938
Stormwater Levy	11	31	1	-	43
Total Offsite Levy Liabilities	\$ 2,648	\$ 8,069	\$ 87	\$ (1,474)	\$ 9,330

7. LONG-TERM DEBT

a. Long-term debt consists of:

	2016	2015
Municipal Tax Supported Debenture	\$ 41,586	\$ 45,515

Debenture debt has been issued on the credit and general security of the City. Debentures are held by the Alberta Capital Finance Authority. Debenture interest is payable, before Provincial subsidy, at rates ranging from 3.34% to 5.00% per annum. The debentures are payable in annual or semi annual amounts and mature in periods ranging from 2019 to 2028.

The City has an operating line of credit with its bank of \$5,000 (2015 - \$5,000). This credit facility bears interest at the TD Composite Prime minus 0.50% and was not drawn on at December 31, 2016.

The Province of Alberta currently provides an interest subsidy in the form of an interest subsidization grant on eligible debenture issues.

Maximum Interest Rate Payable Period of Debenture Issue	After Provincial Subsidy
January 1, 1974 - March 31, 1980	9.6 %
April 1, 1980 - March 26, 1981	10.4 %
March 27, 1981 - March 31, 1982	11.6 %

Interest on long-term debt amounted to \$2,042 (2015 - \$2,217) and is recorded in the Consolidated Statement of Operations and Accumulated Surplus.

The City's total cash payments for interest in 2016 were \$2,072 (2015 - \$2,246).

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2016 (in thousands of dollars)

7. LONG-TERM DEBT (cont'd)

- b. Long-term debt principal and interest amounts due in each of the next five years and thereafter are as follows:

	Principal	Interest	Total
2017	\$ 4,111	\$ 1,889	\$ 6,000
2018	4,302	1,698	6,000
2019	4,502	1,498	6,000
2020	4,257	1,293	5,550
2021	4,461	1,089	5,550
Thereafter	19,953	2,475	22,428
	<u>\$ 41,586</u>	<u>\$ 9,942</u>	<u>\$ 51,528</u>

c. **Debt Limits**

Section 276(2) of the Municipal Government Act requires that debt and debt limits, as defined by Alberta Regulation 255/2000 for the City be disclosed as follows:

	2016	2015
Total Debt Limit	\$ 267,201	\$ 280,586
Total Debt	41,586	45,515
Amount of Debt Limit Unused	225,615	235,071
Maximum Allowable Debt Servicing Limit	44,533	46,735
Annual Payments of Existing Debt	6,000	6,000
Amount of Debt Servicing Limit Unused	\$ 38,533	\$ 40,735

The debt limit is calculated at 1.5 times revenue of the City (as defined in Alberta Regulation 255/2000) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the City, rather, the financial statements and other factors must be considered.

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2016 (in thousands of dollars)

8. LANDFILL LIABILITY

Alberta environmental law requires closure and post closure care of landfill sites, which includes final covering and landscaping, plumbing of groundwater and leachates from the sites, and ongoing environmental monitoring, site inspections and maintenance. The City received an Environment Canada order to undertake additional capping and grading measures in 2005 to prevent leaching into the Sturgeon River from its landfill. A Site Management Alternative report was completed in December 2005 and the City met with the regulators to discuss the alternatives and the recommended action plan. The action plan includes objectives that will maintain the integrity of the containment berms, minimize the generation of leachate and continued monitoring of the groundwater.

The landfill was permanently closed in 1986.

The City's estimated total liability is based on the sum of discounted future cash flows for post closure activities from 2010 to 2016 using a discount rate of 2.30% (2015 - 1.95%) based on the Alberta Capital Finance Authority 10 year rate stated at December 15, 2016.

	2016	2015
Estimated Closure Costs	\$ 200	\$ 200

During 2016 and 2015, the City incurred no costs related to the landfill closure and post closure liability. In October 2016 the City confirmed the cost estimate will remain the same, which is primarily related to ongoing environmental monitoring for the next five years.

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2016 (in thousands of dollars)

9. TANGIBLE CAPITAL ASSETS

	2016									
	Building Improvement	Library Collections	Land Improvement	Engineered Structures	Buildings	Machinery & Equipment	Land	Vehicles	Assets Under Construction	Total
Cost										
Balance, Beginning of Year	\$ 7,545	\$ 2,235	\$ 49,057	\$ 561,722	\$ 129,740	\$ 23,295	\$ 384,674	\$ 39,563	\$ 49,942	\$ 1,247,773
Acquisitions	912	400	787	40,410	143	3,206	12,718	2,612	7,803	68,991
Disposals	-	(435)	-	-	-	(1,538)	-	(307)	-	(2,280)
Balance, End of Year	8,457	2,200	49,844	602,132	129,883	24,963	397,392	41,868	57,745	1,314,484
Accumulated Amortization										
Balance, Beginning of Year	1,026	1,123	24,776	257,537	59,488	11,815	-	16,124	-	371,889
Amortization expense	226	444	1,995	12,713	2,653	2,331	-	2,395	-	22,757
Disposals	-	(430)	-	-	-	(1,346)	-	(283)	-	(2,059)
Balance, End of Year	1,252	1,137	26,771	270,250	62,141	12,800	-	18,236	-	392,587
Net Book Value, End of Year	\$ 7,205	\$ 1,063	\$ 23,073	\$ 331,882	\$ 67,742	\$ 12,163	\$ 397,392	\$ 23,632	\$ 57,745	\$ 921,897

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2016 (in thousands of dollars)

9. TANGIBLE CAPITAL ASSETS (cont'd)

	2015									
	Building Improvement	Library Collections	Land Improvement	Engineered Structures	Buildings	Machinery & Equipment	Land	Vehicles	Assets Under Construction	Total
Cost										
Balance, Beginning of Year	\$ 7,414	\$ 2,225	\$ 47,962	\$ 535,375	\$ 130,691	\$ 21,459	\$ 384,674	\$ 37,208	\$ 39,701	\$ 1,206,709
Acquisitions	151	413	1,095	26,347	39	2,436	-	3,051	10,401	43,933
Disposals	(20)	(403)	-	-	(990)	(600)	-	(696)	(160)	(2,869)
Balance, End of Year	7,545	2,235	49,057	561,722	129,740	23,295	384,674	39,563	49,942	1,247,773
Accumulated Amortization										
Balance, Beginning of Year	846	1,080	22,819	245,530	57,389	10,240	-	14,442	-	352,346
Amortization expense	200	446	1,957	12,007	2,665	2,115	-	2,254	-	21,644
Disposals	(20)	(403)	-	-	(566)	(540)	-	(572)	-	(2,101)
Balance, End of Year	1,026	1,123	24,776	257,537	59,488	11,815	-	16,124	-	371,889
Net Book Value, End of Year	\$ 6,519	\$ 1,112	\$ 24,281	\$ 304,185	\$ 70,252	\$ 11,480	\$ 384,674	\$ 23,439	\$ 49,942	\$ 875,884

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2016 (in thousands of dollars)

9. TANGIBLE CAPITAL ASSETS (cont'd)

a. Assets Under Construction

Assets under construction have a cost of \$57,745 (2015 - \$49,942) and are amortized when the assets are put into service.

b. Contributed Tangible Capital Assets

Contributed capital assets have been recognized at fair value at the date of contribution. The fair value of contributed assets received during the year is \$29,475 (2015 - \$13,025). This amount is comprised of roads infrastructure in the amount of \$9,306 (2015 - \$0), water, storm and wastewater infrastructure in the amount of \$10,515 (2015 - \$12,953), land improvement (contributed land per the agreement) in the amount of \$9,579 (2015 - \$0), other infrastructure - park and theatre of \$0 (2015 - \$72) and Culture \$75 (2015 - \$0).

c. Works of Art and Historical Treasures

The City manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets.

d. Non Cash Additions to Tangible Capital Assets

Included in Accounts Payable and Accrued Liabilities is \$1,218 (2015 - \$328) related to tangible capital asset acquisition. Amounts will be reported as acquisition of tangible capital assets in the consolidated Statement of Cash Flows in the year the amount is paid.

10. EQUITY IN TANGIBLE CAPITAL ASSETS

	2016	2015
Tangible Capital Assets (Note 9)	\$ 1,314,484	\$ 1,247,773
Accumulated Amortization (Note 9)	(392,587)	(371,889)
Long-Term Debt (Note 7)	(41,586)	(45,515)
	\$ 880,311	\$ 830,369

11. ACCUMULATED SURPLUS

Accumulated surplus consists of unrestricted, restricted and amounts invested in tangible capital assets as follows:

	2016	2015
Unrestricted Surplus	\$ 412	\$ 480
Restricted Surplus - Reserves (Schedule 1)	129,674	116,245
Equity in Tangible Capital Assets	880,311	830,369
Total Accumulated Surplus	\$ 1,010,397	\$ 947,094

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2016 (in thousands of dollars)

12. COMMITMENTS AND CONTINGENCIES

a. Annexation

On February 14, 2007 the Lieutenant Governor in Council approved the request of the City of St. Albert to annex land from Sturgeon County ("County"). Effective January 1, 2007 the City's boundaries were extended to include all of the land that St. Albert had requested. The City is obligated to pay the County \$800 at a rate of \$80 per year starting in 2009 and ending 2018. In addition, the City paid tax sharing amounts to the County until 2013.

As of April 1, 2007 the City is responsible for the roadway maintenance and municipal services within the annexed area. The annexation brings within the boundaries of St. Albert the proposed alignment of Ray Gibbon Drive.

b. Legal Claims

As at December 31, 2016, the City was involved in various legal disputes. While it is not possible to estimate the outcome of these disputes, management believes that there will be no adverse effect on the City's financial position.

c. Lease Commitments

The City has entered into several operating lease agreements for space rental. Lease commitments over the next five years and thereafter are as follows:

2017	\$	607
2018		638
2019		587
2020		565
2021		357
Thereafter		320
	\$	<u>3,074</u>

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2016 (in thousands of dollars)

13. PROPERTY TAXES

Property taxes revenue, reported on the Consolidated Statement of Operations and Accumulated Surplus, is comprised of the following:

	2016 Budget (Note 16)	2016	2015
Taxation			
Real Property Taxes	\$ 123,585	\$ 122,242	\$ 117,596
Linear Property Taxes	1,090	1,076	1,090
Government Grants in place of property tax	-	1,339	1,288
Total Taxation	124,675	124,657	119,974
Requisitions			
Alberta School Foundation Fund	23,071	23,071	21,078
Opted Out School Board	7,279	7,279	7,074
Sturgeon Foundation Requisition	1,051	1,104	1,051
Other	80	80	80
Total Requisitions	31,481	31,534	29,283
Property Taxes Available for Municipal Purposes	\$ 93,194	\$ 93,123	\$ 90,691

14. GOVERNMENT TRANSFERS

The City recognizes the authorized transfer of government funding and the expenses or revenues in the period that the events giving rise to the transfer occurred. The government transfers reported on the Consolidated Statement of Operations and Accumulated Surplus are:

	2016 Budget (Note 16)	2016	2015
Government Transfers for Operations			
Provincial Transfers	\$ 3,548	\$ 4,294	\$ 3,885
Federal Transfers	252	230	215
Total Operating Transfers	3,800	4,524	4,100
Government Transfers for Capital			
Provincial Transfers	20,263	20,143	13,603
Federal Transfers	5,083	2,473	3,981
Total Capital Transfers	25,346	22,616	17,584
Total Government Transfers	\$ 29,146	\$ 27,140	\$ 21,684

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2016 (in thousands of dollars)

15. SALARIES AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for elected municipal officials, the chief administrative officer, and the designated officer is required by Alberta Regulation 313/2000. This information is not presented in thousands of dollars.

	Salaries (a)	Benefits and Allowances (b)	2016	2015
Mayor N. Crouse	\$ 138,458	\$ 8,050	\$ 146,508	\$ 145,362
Councillor W. Brodhead	41,710	5,424	47,134	47,017
Councillor C. Heron	49,210	2,648	51,858	46,065
Councillor C. MacKay	38,410	3,856	42,266	42,278
Councillor S. Hughes	37,810	5,381	43,191	42,892
Councillor T. Osborne	43,810	6,133	49,943	47,523
Councillor G. Prefontaine	-	-	-	12,485
Councillor Russell	37,610	306	37,916	18,389
Chief Administrative Officer (c)	502,524	194,202	696,726	312,148
Designated Officer	146,602	38,380	184,982	174,523

a. Salaries

Salaries (a) above includes amounts received from an independent organization by the Mayor and Councillors when acting in their capacity. These amounts were paid through the City and are included in the City's expenses, in the consolidated financial statements.

b. Benefits and Allowances

Benefits and allowances (b) above, include any allowances, as well as the City's share of all employee benefits and contributions or payments made on behalf of employees including retirement pension, Canada Pension Plan, employment insurance, WCB, health care, dental coverage, vision coverage, group life insurance, accidental death and dismemberment insurance, long and short term disability plans, professional memberships, and car allowances.

c. Chief Administrative Officer (CAO)

Salaries, benefits, and allowances for the Chief Administrative Officer (CAO) includes outgoing CAO and interim CAO plus severance costs and related benefit payouts.

16. PENSION PLANS

a. Local Authorities Pension Plan

Approximately 621 (2015 – 621) employees of the City participate in the Local Authorities Pension Plan (LAPP), which is one of the plans covered by the Alberta Public Sector Pension Plans Act. The plan is financed by employer and employee contributions and investment earnings of the LAPP Fund. The City is required to make current service contributions to the LAPP of 11.39% (2015 - 11.39%) of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 15.84% (2015 - 15.84%) on pensionable earnings above this amount. Employees of the City are required to make current service contributions of

CITY OF ST. ALBERT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2016 (in thousands of dollars)

16. PENSION PLANS (cont'd)

a. Local Authorities Pension Plan (cont'd)

10.39% (2015 - 10.39%) of pensionable salary up to the year's maximum pensionable salary and 14.84% (2015 - 14.84%) on pensionable salary above this amount.

Total contributions by the City to the LAPP in 2016 were \$6,434 (2015 - \$6,141). Total contributions by the employees of the City of St. Albert to the Local Authorities Pension Plan in 2016 were \$5,936 (2015 - \$5,679). At December 31, 2015, the plan reported the value of its assets at \$34.4 billion (2014 - \$30.7 billion) and disclosed an actuarial deficiency of \$0.92 billion (2014 - \$2.5 billion). Plan asset and actuarial deficiency data as at December 31, 2016 were not yet available.

b. APEX

The APEX supplementary pension plan, an Alberta Urban Municipalities Association (AUMA) sponsored defined benefit pension plan covered under the provisions of the Alberta Employment Pension Plans Act, commenced on January 1, 2004. This plan provides supplementary pension benefits to a prescribed class of employees 18 beneficiaries (2015 - 20). The plan supplements the Local Authorities Pension Plan.

Contributions are made by the prescribed class of employees and the City. The employees and the City are required to make current service contributions to APEX of 2.50% and 3.00% (2015 - 2.50% and 3.00%) respectively, of pensionable earnings up to \$145 (2015 - \$141). Total current service contributions by the City to APEX in 2016 were \$78 (2015 - \$81). Total current service contributions by the employees of the City were \$65 (2015 - \$67).

The cost of post retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service, management's best estimate of salary and benefit escalation, and retirement ages of employees. The cost of post retirement benefits are fully funded.

As at December 31, 2016, the APEX supplementary pension plan has vested with approximately 86% of eligible employees. The City has disclosed contributions to the APEX plan.

c. MuniSERP

The MuniSERP supplementary overcap retirement plan extend LAPP and APEX pension benefit levels beyond the Canada Revenue Agency maximum. The plan commenced on January 1, 2003, and provides supplementary benefits to a prescribed class of employees (10 beneficiaries (2015 - 13)). MuniSERP supplements APEX and LAPP and is a voluntary, non-contributory, non-registered supplementary employee retirement plan. The cost of post retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service, management's best estimate of salary and benefit escalation, and retirement ages of employees. As at December 31, 2016, an actuarial costing has been completed along with corresponding disclosure of designated assets.

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2016 (in thousands of dollars)

16. PENSION PLANS (cont'd)

The following presents the MuniSERP obligation as at December 31, 2016:

	2016	2015
Accrued Benefit Obligation		
Balance, Beginning of Year	\$ 339	\$ 282
Current Service Cost and Interest Cost	(84)	57
Balance, End of Year	\$ 255	\$ 339

There are no defined benefit plan assets.

The significant actuarial assumptions in measuring the City's accrued benefit obligation are as follows:

	2016	2015
Discount Rate	5.00 %	5.00 %
Rate of Compensation Increase	4.00 %	4.00 %

17. BUDGET FIGURES

Budgets established for capital acquisitions and related financing are calculated on a project oriented basis. As these transactions may be carried out over one or more years, they are not directly comparable with current year actual amounts.

The table below reconciles the consolidated annual surplus to the City's operating surplus based on the methods used in preparing its fiscal plan.

	2016 Budget	2016	2015
Annual Surplus	\$ 49,102	\$ 63,303	\$ 57,793
Internal Transfers (net operating and capital)	44,954	(13,274)	(31,907)
Contributed Assets	-	(29,474)	(13,025)
Repayment of Long Term Debt	(3,929)	(3,929)	(3,755)
Loss (Gain) on Sale of Tangible Capital Assets	-	134	158
Amortization	-	22,757	21,644
Capital Costs	(90,127)	(39,517)	(30,908)
Operating Surplus	\$ -	\$ -	\$ -

The budget data presented in these consolidated financial statements is based upon the 2016 operating and capital budgets approved by Council. Amortization, contributed assets and loss/gain of tangible capital assets were not contemplated in development of the budget and, as such, have not been included.

CITY OF ST. ALBERT

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2016 (in thousands of dollars)

18. SEGMENTED INFORMATION

Segmented information has been identified based upon lines of service provided by the City. City services are provided by departments and their activities are reported by functional area in the body of the consolidated financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

a. General Government Services

The City's general services include its corporate functions, such as finance, information technology, human resources, taxation and assessment, legislative operations, and common and fiscal services.

b. Protective Services

The City contracts with the Royal Canadian Mounted Police for police protection, and holds a contract through Alberta Health Services to provide emergency medical services within the community. The City also operates a municipal fire department and provides bylaw enforcement services.

c. Recreation and Parks

The City owns large park systems such as the Red Willow Park and numerous community and neighbourhood parks and playgrounds. The City also provides a variety of recreational programs and services to residents on a year round basis.

d. Utility Services

Four utilities – water, wastewater, storm, and solid waste/recycling – are administered directly by the City. While these utilities are funded independently from municipal operations as per the City's Utility Rate Model, financial results are included with the City.

e. Transportation and Roadway Services

The City provides a number of maintenance and related services for streets, sidewalks, lighting, and equipment pool. Costs related to summer and winter road maintenance are also captured here. Roadway services provides service to other segments of the organization on a cost recovery basis, which is reflected in other expense recoveries.

f. Transit Services

St. Albert Transit is a municipally owned and operated transit service offering local and commuter routes for riders. St. Albert Transit operates on a subsidized fee for service basis.

g. Cultural Services

St. Albert has cultural programs, services, and events. The City of St. Albert Library and Arts & Heritage Foundation are included in Cultural Services on the Consolidated Statement of Operations and Accumulated Surplus.

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2016 (in thousands of dollars)

18. SEGMENTED INFORMATION (cont'd)

h. Planning and Development Services

To ensure that the community is well planned and attractive for investment, the City is active in the area of land use planning, engineering, and economic development.

i. Family and Social Services

Social services include those provided by the City's Family and Community Support Services department, in addition to costs related to the St. Albert Cemetery and other community supports.

j. St. Albert Public Library

The St. Albert Public Library, (the "Library") was established in 1961 by St. Albert's Town Council under the provisions of the Provincial Libraries Act. The Library is governed by a separate Board, and provides programs and services to the residents of St. Albert and surrounding areas.

k. Arts and Heritage Foundation

St. Albert's Arts and Heritage Foundation (the "AHF") manages the Profiles Public Art Gallery, the Musée Héritage Museum, and various other local heritage sites. AHF also offers programs and exhibitions and ensures that historic buildings and significant artifacts are preserved.

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2016 (in thousands of dollars)

18. SEGMENTED INFORMATION (cont'd)

The following tables report the financial operations for each of the above mentioned segments.

December 31, 2016	General Government Services	Protective Services	Recreation and Parks	Utility Services (Schedule 2)	Transportation & Roadway Services	Transit Services	Culture: Museums & Halls	Planning and Development Services	Family and Social Services	St. Albert Public Library	Arts and Heritage	Total 2016
Revenue												
Property Taxes	\$ 93,123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,123
Sales and User Fees	519	2,964	10,641	38,351	503	4,372	1,262	961	240	353	358	60,524
Government Transfers	2,955	1,585	1,908	2,348	11,849	742	1,451	2,236	1,566	371	129	27,140
Other Revenue	582	-	500	36	189	-	241	2	12	94	155	1,811
Fines and Penalties	974	5,420	-	-	-	-	-	-	-	-	-	6,394
Contracted Services Revenue	-	2,679	-	-	-	-	-	-	-	-	-	2,679
Licenses and Permits	833	372	-	-	24	-	-	2,667	-	-	-	3,896
Franchise Fees	2,209	-	-	-	-	-	-	-	-	-	-	2,209
Investment Income	1,446	17	102	775	134	54	18	5	-	8	-	2,559
Developer Contributions and Levies	365	-	-	69	(19)	-	-	-	-	-	-	415
Total Revenue	103,006	13,037	13,151	41,579	12,680	5,168	2,972	5,871	1,818	826	642	200,750
Expenses												
Salaries, Wages and Benefits	14,455	21,031	13,706	4,449	8,455	2,184	3,267	3,597	1,506	3,376	1,521	77,547
Contracted and General Services	1,052	3,192	2,573	7,969	3,443	8,158	1,980	788	336	375	291	30,157
Amortization	1,337	869	3,452	4,502	10,121	1,751	93	48	-	572	12	22,757
Purchases from Other Governments	-	8,079	-	10,660	-	-	-	-	-	-	-	18,739
Materials, Goods and Utilities	283	975	3,167	979	4,388	1,694	725	87	112	508	327	13,245
Transfers to Individuals & Organizations	187	-	-	16	(2)	-	1,835	97	1,103	-	(1,571)	1,665
Interest on Long-Term Debt	(4)	-	1,077	-	969	-	-	-	-	-	-	2,042
Other Expenses (Recovery)	231	861	1,227	789	(2,754)	20	113	87	13	5	44	636
Loss (Gain) on Disposal of Tangible Capital Assets	-	1	(20)	-	158	(11)	-	-	-	5	-	133
Total Expenses	17,541	35,008	25,182	29,364	24,778	13,796	8,013	4,704	3,070	4,841	624	166,921
Excess (Deficiency) of Revenue over Expenses before Other	85,465	(21,971)	(12,031)	12,215	(12,098)	(8,628)	(5,041)	1,167	(1,252)	(4,015)	18	33,829
Other												
Contributed Assets	-	-	-	10,515	9,306	-	74	9,579	-	-	-	29,474
Excess (Deficiency) of Revenue over Expenses	\$ 85,465	\$ (21,971)	\$ (12,031)	\$ 22,730	\$ (2,792)	\$ (8,628)	\$ (4,967)	\$ 10,746	\$ (1,252)	\$ (4,015)	\$ 18	\$ 63,303

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2016 (in thousands of dollars)

18. SEGMENTED INFORMATION (cont'd)

December 31, 2015	General Government Services	Protective Services	Recreation and Parks	Utility Services (Schedule 2)	Transportation and Roadway Services	Transit Services	Culture: Museums & Halls	Planning and Development Services	Family and Social Services	St. Albert Public Library	Arts and Heritage	Total 2015
Revenue												
Property Taxes	\$ 90,691	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,691
Sales and User Fees	233	1,270	10,501	39,693	533	4,398	1,211	862	234	338	367	59,640
Government Transfers	1,666	1,689	24	3,763	8,511	-	1,785	2,514	1,211	373	147	21,683
Other Revenue	473	4	501	40	1	-	285	18	29	55	144	1,550
Fines and Penalties	824	5,614	-	141	-	-	-	-	-	-	-	6,579
Contracted Services Revenue	-	2,593	-	-	-	-	-	-	-	-	-	2,593
Licenses and Permits	795	387	-	-	19	-	-	2,025	-	-	-	3,226
Franchise Fees	2,015	-	-	-	-	-	-	-	-	-	-	2,015
Investment Income	1,289	13	119	632	187	68	17	17	-	8	-	2,350
Developer Contributions and Levies	-	-	-	4,654	9,660	-	-	-	-	-	-	14,314
Total Revenue	97,986	11,570	11,145	48,923	18,911	4,466	3,298	5,436	1,474	774	658	204,641
Expenses												
Salaries, Wages and Benefits	13,010	18,872	13,487	4,722	8,270	2,258	3,151	3,434	1,354	3,191	1,515	73,264
Contracted and General Services	887	2,604	1,929	7,793	3,764	8,044	2,277	555	96	302	228	28,479
Amortization	1,201	827	3,408	4,278	9,548	1,687	78	46	-	555	16	21,644
Purchases from Other Governments	-	7,906	-	10,288	-	-	-	-	-	-	-	18,194
Materials, Goods and Utilities	315	844	3,308	739	4,584	1,749	829	84	55	506	372	13,385
Transfers to Individuals & Organizations	129	-	-	5	32	-	1,752	115	1,099	-	(1,520)	1,612
Interest on Long-Term Debt	-	-	1,177	-	1,040	-	-	-	-	-	-	2,217
Other Expenses (Recovery)	625	816	1,297	797	(2,852)	19	96	84	16	5	17	920
(Gain) Loss on Disposal of Tangible Capital Assets	-	5	4	(65)	18	185	-	-	-	-	11	158
Total Expenses	16,167	31,874	24,610	28,557	24,404	13,942	8,183	4,318	2,620	4,559	639	159,873
Excess (Deficiency) of Revenue over Expenses before Other	81,819	(20,304)	(13,465)	20,366	(5,493)	(9,476)	(4,885)	1,118	(1,146)	(3,785)	19	44,768
Other												
Contributed Assets	-	-	63	12,953	-	-	9	-	-	-	-	13,025
Excess (Deficiency) of Revenue over Expenses	\$ 81,819	\$ (20,304)	\$ (13,402)	\$ 33,319	\$ (5,493)	\$ (9,476)	\$ (4,876)	\$ 1,118	\$ (1,146)	\$ (3,785)	\$ 19	\$ 57,793

CITY OF ST. ALBERT
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year Ended December 31, 2016 (in thousands of dollars)

19. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

CITY OF ST. ALBERT

Year Ended December 31, 2016

SCHEDULE 1 - SCHEDULE OF RESTRICTED SURPLUS - RESERVES

	2015	Transfers	Reductions	2016
Operating Reserves				
General Government	\$ 12,955	\$ 5,829	\$ (3,651)	15,133
Children's Festival	141	4	-	145
Museum	109	9	-	118
Library	54	-	-	54
Subtotal	13,259	5,842	(3,651)	15,450
Arts and Heritage Foundation	76	21	-	97
Total Operating Reserves	13,335	5,863	(3,651)	15,547
Capital Reserves				
General Government	65,150	17,463	(14,673)	67,940
Library	393	202	(97)	498
Subtotal	65,543	17,665	(14,770)	68,438
Utilities	37,367	13,606	(5,284)	45,689
Total Capital Reserves	102,910	31,271	(20,054)	114,127
Total Restricted Surplus Reserves	\$ 116,245	\$ 37,134	\$ (23,705)	129,674

CITY OF ST. ALBERT

Year Ended December 31, 2016

SCHEDULE 2 - SCHEDULE OF UTILITY SERVICES

	Water	Wastewater	Storm	Waste	2016	2015
Revenue						
Sales and User Fees	\$ 13,891	\$ 11,463	\$ 6,526	\$ 6,471	\$ 38,351	\$ 39,693
Government Transfers	-	-	2,348	-	2,348	3,763
Other Revenue	36	-	-	-	36	40
Fines and Penalties	-	-	-	-	-	141
Investment Income	277	164	401	(67)	775	632
Developer Contributions and Levies	54	15	-	-	69	4,654
Total Revenue	14,258	11,642	9,275	6,404	41,579	48,923
Expenses						
Purchases from Other Governments	4,778	5,882	-	-	10,660	10,288
Contracted and General Services	1,670	1,791	786	3,722	7,969	7,793
Amortization	1,654	1,141	1,380	327	4,502	4,278
Salaries, Wages and Benefits	1,621	1,454	450	924	4,449	4,722
Materials, Goods and Utilities	648	192	78	61	979	739
Other Expenses	198	128	79	384	789	797
Transfers to Individuals & Organizations	16	-	-	-	16	5
(Gain) Loss on Disposal of Tangible Capital Assets	-	-	-	-	-	(65)
Total Expenses	10,585	10,588	2,773	5,418	29,364	28,557
Excess of Revenues over Expenses Before Other	3,673	1,054	6,502	986	12,215	20,366
Other						
Contributed Assets	2,092	1,333	7,090	-	10,515	12,953
Excess of Revenue over Expenses	\$ 5,765	\$ 2,387	\$ 13,592	\$ 986	\$ 22,730	\$ 33,319